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COMMISSION ON HUMAN RIGHTS

Sub-Commission on Prevention of
Discrimination and Protection
of Minorities
Working Group on Indigenous Populations
Twelfth session
25-29 July 1994
Item 9 of the provisional agenda

OTHER MATTERS INCLUDING MEETINGS AND SEMINARS AND THE VOLUNTARY FUND FOR INDIGENOUS POPULATIONS

Information received from indigenous peoples' and non-governmental organizations

GE.94-13046 (E)

Introduction

1. Under its agenda item 9, the Working Group on Indigenous Populations considers other matters which do not fall directly under the two principal items dealing with standard-setting activities and the review of developments. These questions include information about recent meetings and seminars, relevant studies and research, and the activities of the Voluntary Fund for Indigenous Populations.

2. In this regard, information has been received from an indigenous organization concerning the study prepared by the Centre for Transnational Corporations submitted to the Sub-Commission on Prevention of Discrimination and Protection of Minorities (E/CN.4/Sub.2/1994/40).

"TUPAY KATARI" INDIAN MOVEMENT

[Original: SPANISH]
[30 May 1994]

Transnational corporations

1. In our opinion the struggle to promote the economic, social and cultural rights of indigenous populations will be undermined and will lack any political meaning unless we come to grips with the issue of indigenous populations in the context of the powerful trend towards globalization of the world economy and unless we approach this issue as an integral part of crucial problems afflicting mankind.

2. It can never be reiterated too often that the arrival of European colonists, with their voracious appetites, came ashore in the lands of the native peoples of America culminated in the plunder of those lands and the appropriation of enormous quantities of gold, silver and precious stones belonging to the pre-Colombian civilizations. From that fateful moment down to our own days, the driving force of a colonial system based on the exploitation of the native peoples was and remains material gain, i.e. the potential economic interests of the colonists and their egoistic ambitions to plunder and hold sway over the vanquished.

3. Over the 500 years of the colonial system, the collective ownership of land and cultural heritage gave way to the market economy with its own laws, carved in stone or written in sand, which gradually brought under its control and into its service all human activities: politics, democracy and human rights. It was from this inevitable development of capitalism from its more primitive to its higher forms, a development which was uneven, chaotic and unjust, that the big transnational corporations were borne and grew; and today more than ever before they are marching arrogantly onward, seizing the wealth and the vital means of subsistence which Mother Earth generously provides us with.

4. The transnational corporations - a necessary outcome of the fusion of banking capital and industrial capital - have ended by dividing the world up among themselves, penetrating to the innermost parts of the world economy and omnipresent in indigenous lands and territories where they unscrupulously seek control of our natural resources which are regarded as strategically important for the western world. Their universe is vast, complex and contradictory and its influence has remodelled the face of the world.

5. Driven on by the laws of the market economy, in particular the laws of maximizing earnings and profits, capital accumulation and speculation in raw materials and financial operations, the multinational companies have embedded themselves in the economic and social life of the peoples of the third world, building up the hegemonic power which enables them to concentrate in their hands the production and distribution of goods and services and the movement of capital and people.

6. According to the report of the Commission on Transnational Corporations, in the 1990s the universe of transnational corporations comprised 37,000 parent firms in the industrialized world which controlled 200,000 affiliates. More than 90 per cent of these firms have their headquarters in the United States, Canada, Japan, Germany and France, and only 8 per cent in the developing countries. In contrast, 41 per cent of the foreign affiliates were established in developing countries.

7. The Commission's report also emphasizes the continued rise in the flow of foreign direct investment to developing countries, to reach $50 billion in 1992 and $70 billion in 1993. These enormous figures are beyond the imagining of the poor. The increasing influence of transnational corporations and their powerful capacity to bring national economies under their control are reflected in the integration of production at the international level, the considerable concentration of foreign direct investment, the expansion of transnational affiliates and the monopoly of markets.

8. In Latin America and the Caribbean, capital investment by the private international banking system rose from $84 billion in 1987 to $129 billion in 1991 (source: UNCTAD, 1993). Multinational firms, especially the United States ones, invest not so much to create jobs, as they like to pretend, nor to contribute to the sustainable development of underdeveloped countries, but rather as a means of plundering raw materials, securing the concentration and control of national markets and exploiting cheap labour.

9. The need to draft a code governing the activities of transnational corporations stems from several factors. Firstly, it is in the nature of financial capital to behave irrationally - it has no morals and answers to no one. Its main aim is to generate maximum earnings and added value. It is not interested in any of the other problems. Long years of experience have confirmed that it is impossible for national laws to control the activities of transnational corporations. States cannot claim legal jurisdiction over the foreign companies established in their territory because their laws rarely contain a reference to the term or concept "corporative nationality", and the matter is rarely governed by regulations.

10. We note with great disappointment the failure of the lengthy and controversial negotiations concerning the regulation of transnational corporations. Once again the big economic and financial interests imposed themselves against the political will of States. In informal talks in 1992, the governmental delegations did not reach a consensus on the draft code and decided to abandon the discussion of one of the most burning problems of the "industrial civilization".

11. By virtue of resolution 47/212 on the restructuring of the United Nations, adopted by the General Assembly on 6 May 1993, the United Nations Centre on Transnational Corporations was regrettably terminated and replaced by the Division on Transnational Corporations and Investment, which operates under the auspices of UNCTAD with its headquarters in Geneva. Whatever arguments are put forward in justification, the functions of the Centre have changed fundamentally and have been reduced to the gathering of information about capital operations and investment.

12. The Indian nations, which continue to suffer the adverse effects of the transnational corporations firmly established on our land and in our territories endorse the resolution adopted on 30 July 1992 by the Indian representatives and submitted to the Working Group on Indigenous Populations, and deplore the suppression of the Centre.

13. In view of the legitimate concerns and worries of the Indian peoples and nations of the Americas which are being subjected to the dictatorship of transnational financial capital, the Working Group should urge the Commission on Transnational Corporations to continue its research on the following subjects:

- Transfer of capital from poor to rich countries, financial operations and stock-market speculation;

- Ownership structure of multinational firms;

- Global strategies aimed at concentration of markets at national, regional and international levels;

- Mergers of transnational companies and the formation of potential monopolies and obstacles to the transfer of technology;

- Use of market mechanisms and financial institutions (World Bank, IMF, UNDP, etc.) to serve the interests of parent companies;

- Interference by transnational corporations in national politics by means of corruption and bribing of Governments;

- Investigation of the responsibility of transnational corporations for pollution of the environment and destruction of nature;

- Effective participation of indigenous representatives in United Nations bodies, especially the Commission on Transnational Corporations.